

James H.M. Sprayregen, P.C.
Brian S. Lennon
KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Anup Sathy, P.C. (admitted *pro hac vice*)
Ray C. Schrock (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Proposed Counsel to the
Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
)	
NEFF CORP., <i>et al.</i> , ¹)	Case No. 10-12610 (SCC)
)	
Debtors.)	Jointly Administered
)	

**DEBTORS' SUPPLEMENT TO MOTION OF THE DEBTORS FOR ENTRY OF
INTERIM AND FINAL ORDERS (A) AUTHORIZING THE DEBTORS TO OBTAIN
POST-PETITION FINANCING AND LETTERS OF CREDIT, (B) AUTHORIZING THE**

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Neff Corp. (6400); Neff Finance Corp. (3639); Neff Holdings Corp. (0431); Neff Holdings LLC (0571); Neff Rental, Inc. (0403); and Neff Rental LLC (3649). The location of the Debtors' corporate headquarters and the service address for all the Debtors except Neff Holdings LLC is: 3750 N.W. 87th Ave., Suite 400, Miami, Florida 33178. The service address for Neff Holdings LLC is: 375 Park Avenue, New York, New York 10152.

**DEBTORS TO USE CASH COLLATERAL, AND (C) GRANTING ADEQUATE
PROTECTION TO PREPETITION SECURED LENDERS**

The above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) file this supplement to the *Motion of the Debtors for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing and Letters of Credit, (B) Authorizing the Debtors to Use Cash Collateral, and (C) Granting Adequate Protection to Prepetition Secured Lenders* (the “DIP Motion”) [Docket No. 24]. In further support of the DIP Motion, the Debtors respectfully state as follows:

1. On May 16, 2010 (the “Petition Date”), the Debtors filed the DIP Motion seeking authority to enter into a \$175 million senior secured debtor-in-possession credit facility (the “DIP Facility”), which is evidenced by the Senior Secured Debtor-In-Possession Credit Agreement (the “DIP Credit Agreement”) among Neff Corp., as borrower, certain of the borrower’s subsidiaries, as guarantors, Banc of America Securities LLC, Wells Fargo Capital Finance, LLC, and GE Capital Markets, Inc., as lead arrangers (the “DIP Lead Arrangers”), Bank of America, N.A. as administrative agent (the “Agent”), and the banks, financial institutions and other lenders parties thereto (collectively, together with the DIP Lead Arrangers and the Agent, the “DIP Lenders”). The DIP Lenders have also committed to provide exit financing in connection with the Debtors’ prearranged chapter 11 plan (the “Exit Facility”).

2. On May 24, 2010, the United States Trustee (the “Trustee”) filed an objection (the “Objection”) to entry of the Final Order, primarily on the basis that the Debtors have not made the fee letters entered into in connection with the DIP Facility and the Exit Facility available to the general public.

3. During the DIP Facility negotiations, the DIP Lenders stressed to the Debtors that it is of the utmost importance to the DIP Lenders that the form of the fee letters be

kept confidential given the highly competitive nature of the investment banking and lending industries. Respectfully, the Debtors do not believe the fee letters need to be filed so long as parties in interest are informed with respect to the fees contemplated in the fee letters. Thus, consistent with established practice in this and other jurisdictions, the Debtors agreed they would not file the fee letters on the docket of these chapter 11 cases, but did make oral representations as to the substance of the fee letters on the record in open court at the May 17 “first day” hearing in these cases.

4. Now, as a supplement to (and consistent with) the representations made at the May 17 hearing, the Debtors (with the consent of the DIP Lenders) file this supplement to disclose in writing the approximately \$5.475 million in fees to be paid to the DIP Lenders in connection with the DIP Facility and Exit Facility:

- a) Pre-Petition DIP Lender Fees: Prior to the Petition Date, the Debtors paid fees totaling approximately \$1.6 million on account of the DIP Facility (approximately 0.9% of the total amount available under the DIP Facility and Exit Facility).
- b) Post-Petition DIP Lender Fees: Following entry of the Interim Order, the Debtors paid additional fees totaling approximately \$700,000 on account of the DIP Facility (approximately 0.4% of the total amount available under the DIP Facility and Exit Facility). Subject to the Court’s approval, the Debtors will pay an additional amount of \$1.6 million on account of the DIP Facility upon exit.
- c) Exit Facility Fees: Approximately \$3.0 million of the total fees paid on account of the DIP Facility will be credited against certain of the fees owing on account of the Exit Facility. Subject to the Court’s approval, the Debtors will pay \$1.575 million in connection with the Exit Facility at exit.
- d) Expenses: The Debtors have also agreed to reimburse certain expenses the DIP Lenders incur in connection with the DIP Facility and Exit Facility, including reasonable and documented professional fees.

5. The total fees to be paid in connection with the DIP Facility and the Exit Facility amount to approximately 3.1% of the \$175 million that will be available to the Debtors under such facilities. The Debtors paid approximately 29% of the total fees to be paid in connection with the DIP Facility and the Exit Facility prior to the Petition Date. With the exception of the \$700,000 paid following entry of the Interim Order, all remaining fees will be paid at exit.

6. Prior to filing this supplement, the Debtors conferred with the Trustee and confirmed that the disclosures made herein resolve the concerns raised by the Trustee in the Objection. Accordingly, the Debtors respectfully submit that they have provided the Court and all other parties in interest the material and substantive information needed to fully evaluate of the terms of the proposed financing and request that the Court approve the DIP Motion on a final basis.

* * *

New York, New York
Dated: June 1, 2010

Respectfully submitted,

KIRKLAND & ELLIS LLP

/s/ Brian S. Lennon

James H.M. Sprayregen, P.C.

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